

GLOSSARY OF BUDGET TERMS

Actual - Monies which have already been used or received.

Ad valorem tax - A tax levied on the assessed value (net of any exemptions) of real or personal property. This is commonly referred to as "property tax."

Adjusted final millage - The actual tax rate levied by a local government when tax bills are issued. The rate is adjusted for corrected errors in property assessments for tax purposes and for changes in assessments made by property appraisal adjustment boards in each county. Usually, such changes are very slight and the adjusted millage sometimes does not change from the levy set by the taxing authority. State law provides for certain limitations.

Adopted budget - The financial plan of revenues and expenditures for a fiscal year as approved by the Leon County Commission.

Aggregate millage rate - The sum of all property tax levies imposed by the governing body of a county. State law limits the aggregate rate for a county or municipality to \$10.00 per \$ 1,000 of assessed taxable value.

Amendment - A change to an adopted budget that may, or may not, increase or decrease a fund total. The change must be approved by the County Commission in certain instances.

Appropriated Fund Balance - A portion of the revenues within the fund balance that is used to balance a fund.

Appropriated Income - Florida Statute requires county governments to budget only ninety-five percent (95%) of the total revenue anticipated. Five (5%) percent of the total amount of revenues cannot be incorporated into the budget and made available for expenditure. Therefore, ninety-five percent (95%) of the one hundred percent (100%) of anticipated total revenues becomes the portion referred to as appropriated income.

Appropriation - A specific amount of funds authorized by the Leon County Commission to which financial obligations and expenditures may be made.

Assessed Value - A value established by the County Property Appraiser for all real or personal property for use as a basis for levying property taxes.

ARB (Adopted Recommended Budget) - The tentative budget recommended to the Board of County Commissioners for their review and subsequent adoption.

Bond - A written promise to pay a sum of money on a specific date at a specified interest rate as detailed in a bond ordinance.

Budget - A balanced fiscal plan of programs, services, and construction projects, funded within available revenues and bounded within a specific period of time, usually 12 months. A balanced budget is a budget where anticipated revenues are evenly matched with proposed expenditures.

Budget hearing - The public hearings conducted by the Leon County Commission to consider and adopt the annual budget.

Budget message - A brief written statement presented by the County Administrator to explain principal budget issues and to identify policy-related issues to the Leon County Commission.

Capital Improvements - Physical assets, constructed or purchased, that have a minimum useful life of ten years and a minimum cost of \$10,000. These may include buildings, recreational facilities, road and drainage structures, and large pieces of equipment.

Capital Improvement Program (C.I.P.) - A five-year plan for providing public physical improvements. The program provides the following information for each project: a time frame for completion, the location, description, an annual estimated expenditure and the proposed method of financing.

Capital Outlays - Annual operating expenditures for the acquisition of, or addition to, fixed assets. These expenditures must cost more than \$200 and less than \$10,000 and will include construction projects, purchases of land, major renovations or repairs to existing grounds or facilities and acquisition of equipment.

GLOSSARY OF BUDGET TERMS

Constitutional Officer - Positions established by Florida's Constitution. In Leon County there are five elected constitutional officers: Tax Collector, Sheriff, Property Appraiser, Supervisor of Elections, and Clerk of the Court.

Contingency - A budgetary reserve to provide for emergency or unanticipated expenditures during the fiscal year.

County Administrator - The Chief Executive Officer of the County appointed by the Leon County Commission.

Debt Service Fund - An account established to accumulate resources for, and payment of, general long-term debt principal and interest.

Debt Service - The expense of retiring such debts as loans and bond issues. It includes principal and interest payments, payments for paying agents, registrars, and escrow agents.

Deficit - The excess of expenditures over revenues during a fiscal year.

Department - A basic organizational unit of County government which is functionally unique in its service delivery and is comprised of more than one program.

Depreciation - The periodic expiration of an asset's useful life. Depreciation is a requirement, in proprietary type funds (such as enterprise and internal service funds).

Encumbrance - The commitment of appropriated funds to purchase an item or service.

Enterprise Fund - A governmental accounting fund for operations that function similarly to private business enterprises. The cost of providing these types of services is derived by user fees and other charges for service.

Exemption - A portion of the total assessed valuation of property which is not subject to property taxes. An example is the homestead exemption which provides qualifying homeowners with a \$25,000 exemption on their personal residential property.

Expenditure - Decreases in fund financial resources for the procurement of assets or the cost of goods and/or services received.

Fine and Forfeiture Fund - In accordance with state law, every county must have a separate fund for the collection of all fines and fees collected in the county under the penalty laws of the state, except those fines imposed under s.775.0835(1) and assessments imposed under ss. 893.13(8) and 893.16; all costs refunded to the county; all funds arising from the hire or other disposition of convicts; and the proceeds of any special tax that may be levied by the county commissioners for expenses of criminal prosecutions. Said funds shall be paid out only for criminal expenses, fees, and costs in the county where the crime was committed, and the fees and cost are legal claim against the county in accordance with the provision of this statute.

Fiscal Year - Any yearly accounting period, without regard to its relationship to a calendar year. The fiscal year for Leon County begins on October 1 and ends on September 30 of the following year. The fiscal year for the state begins on July 1 and ends on June 30 of the following year.

Franchise Fee - A fee imposed by a governmental unit for a right or license granted to an individual or business to market a company's goods or services in a particular territory.

Fund - A group of appropriations treated as an entity to meet legal requirements or Generally Accepted Accounting Principles.

Fund Balance - The difference between fund assets and fund liabilities.

Gas Taxes-

Constitutional (80% & 20%) - A two-cent tax (the 5th & 6th cent) on gasoline and other petroleum products is collected by DOR and transferred to SBA for distribution to the counties. The SBA deducts administrative costs and then determines the allocation for each county by a formula that factors in population, area and fuel sales. Each county's allocation is then divided into an 80% portion and a 20% portion. The 20% portion is remitted to the County. The SBA uses the 80% portion to meet any debt service requirements of bonds issued pledging Constitutional Gas Tax receipts. If there are no debt service requirements the 80% portion is also remitted to the County. Funds must be used for acquisition, construction, and maintenance of

GLOSSARY OF BUDGET TERMS

roads. Leon County receives the full 20% and 80% portions.

County Gas Taxes - Tax levied on motor fuel and special fuel at the rate of one-cent per gallon imposed at the wholesale level (the 7th cent). The Department of Revenue administers the tax and redistributes the proceeds, less administrative costs, to counties on a monthly basis using the same distribution factor as the Constitutional Gas Tax. Revenues are to be used for transportation-related expenses.

9th cent Gas Tax - By extraordinary vote of the governing body or by referendum, a county may impose a one-cent per gallon tax on motor fuel or special fuel. The tax is administered by the Department of Revenue with no deductions for the General Revenue Service Charge. The governing body of the county may, by joint agreement, share the proceeds with municipalities. Proceeds must be used for the purpose of paying the costs and expenses of establishing, operating, and maintaining a transportation system and related facilities and the cost of acquisition, construction, reconstruction, and maintenance of roads.

Local Option Gas Tax - A tax levy of up to six cents on each gallon of motor and special fuels sold which has been imposed by Leon County in accordance with State law. The revenues generated from this tax are used to fund the County's S.A.F.E. streets program.

Motor Fuel Use Tax - State taxes are paid at the time fuel is purchased. The county files for a refund of the taxes paid on the fuel used in vehicles which are not driven on the highway, such as landfill vehicles.

General Fund - The fund used to account for all financial resources that are derived from ad valorem (property) taxes, licenses, permits, and other general revenues that will be used to support services that are provided on a countywide basis.

Indirect Cost Reimbursement - Payments made to the County's general fund by enterprise or grant-funded programs to cover administrative overhead costs incurred by the County.

Internal Service Fund - A fund established for the purpose of accounting for the transactions between government agencies.

Less 5% - Florida Statutes require the withholding of 5% of anticipated budgeted revenues (see appropriated income).

Local Government One-Half Cent Sales Tax - The value of approximately one-half cent of the state sales tax, which is returned to the county of collection and shared by the county and its constituent cities on the basis of population.

Master Lease Program - The method used to finance the purchase of new equipment and refinance existing equipment leases.

Millage Rate - The rate used to calculate taxes based upon the assessed value of real property, countywide. One mill of tax is equal to \$1.00 for each \$1,000 of property value.

M.S.T.U. (Municipal Services Taxing Unit) - A district created by the county to place the burden of ad valorem taxes upon property in a geographic area to fund a particular service or services. In Leon County, MSTUs exist in the unincorporated area to fund fire services and countywide to fund primary healthcare for the uninsured.

NIT (No Increase Target) - A budget that, in total property tax dollars, does not exceed the prior year's budget and excludes all one time and non-recurring expenditures.

Object Code - An itemization of accounts within a fund that is used to identify and record the type and amount of expenditures. Some object codes are mandated by the State of Florida Uniform Accounting System.

Operating Budget - A balanced fiscal plan for providing governmental programs and services for a single year.

Operating Expenses - Fund expenses related directly to the fund's primary activities for the current year and not defined as personal or capital outlays.

Other Interest Earnings - Interest from county funds invested with the State Board of Administration on the county's behalf.

Other Personnel Services (OPS) - A temporary position of specific duration not to exceed two years. The positions may be full-time or part-time.

GLOSSARY OF BUDGET TERMS

Performance Objectives - A statement that describes in specific and measurable terms the results the program is expected to achieve within a certain time frame.

Personal Services Expenses - Expenses for salaries, wages, workers compensation, health/life insurance, and retirement contributions provided to County employees.

Program - A broad function or area of responsibility of government services. It is a basic organizational unit of government that is composed of a group of specific activities and operations directed at attaining a common purpose or goal.

Projections - Estimates of anticipated revenues, expenditures, or other budget amounts for specific time periods, usually in fiscal years.

Property Tax - Taxes levied on all non-exempt real and personal property located within Leon County. Property taxes are computed on the basis of multiplying the millage rate by the assessed value of the property often referred to as *ad valorem tax*.

Proprietary Fund/Agency - Commonly called "self-supporting" or "enterprise", these funds/agencies pay for all or most of their cost of operations from user fees, and receive little or no general property tax support.

Real Property - Land and the buildings or structures that are taxable under state law.

Reserves - Appropriations of funds set aside to cover unanticipated or contingent expenses, shortfalls in revenues, and special trusts.

Rolled-Back Millage Rate - The millage rate that will provide the same property tax levy as was levied during the previous fiscal year, except for levies on new construction, additions to structures, deletions, and property added due to geographic boundary changes.

S.A.F.E. - A program adopted by the Board of County Commissioners to insure that all County maintained unpaved roads are paved.

Special Assessment - A levy made against certain properties to defray all or part of the cost of a specific capital improvement which benefits the owners of the property.

Special Revenue Fund - A fund used to account for the proceeds of specific revenue sources, other than expendable trusts or major capital projects, that are legally restricted to be used for specific purposes.

Tax Base - The total property valuations on which taxes are levied.

Tax Roll - The certification of assessed/taxable values prepared by the Property Appraiser and presented to the Board of County Commissioners by July 1 of each year.

Transfers - Internal movements of revenue among funds in the budget to provide needed sources of funding for expenses incurred on behalf of another fund.

Trust Funds - Funds used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

User Fee - The fee charged to individuals or groups that receive a direct benefit of a public service, facility, or good.

Workload Measure - A unit of measure to identify the amount of work or product generated from specific activities. They form the basis for determining the unit's success at reaching its performance objectives.